

**House File 2013 - Introduced**

HOUSE FILE 2013

BY WILLS

**A BILL FOR**

1 An Act relating to procurement procedures for state agencies.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8A.311, subsection 10, Code 2016, is  
2 amended to read as follows:

3 10. ~~a.~~ The director shall adopt rules providing that any  
4 state agency may, ~~upon request and approval by the department,~~  
5 purchase directly from a vendor if the direct purchasing  
6 is more economical than purchasing through the department,  
7 if the agency shows that direct purchasing by the state  
8 agency would be in the best interests of the state due to  
9 an immediate or emergency need, or if the purchase will not  
10 exceed ten thousand dollars and the purchase would contribute  
11 to the agency complying with the targeted small business  
12 procurement goals under sections 73.15 through 73.21. A state  
13 agency that makes such a purchase shall promptly notify the  
14 department that the agency has done so. The notification shall  
15 include documentation demonstrating that the purchase met the  
16 criteria for a direct purchase provided in this subsection.  
17 Prior notification of or approval by the department for such  
18 purchases shall not be required. Competitive bidding shall not  
19 be required for such purchases.

20 ~~b.~~ Any member of the executive council may bring before  
21 the executive council for review a decision of the director  
22 granting a state agency request for direct purchasing. The  
23 executive council shall hear and review the director's decision  
24 in the same manner as an appeal filed by an aggrieved bidder,  
25 except that the three-day period for filing for review shall  
26 not apply.

27 Sec. 2. Section 8A.311A, subsection 3, paragraph a, Code  
28 2016, is amended to read as follows:

29 a. The department determines, upon a request by the agency,  
30 that the agency can satisfy satisfies the requirements for  
31 purchase of the good or service directly from a vendor as  
32 provided in section 8A.311, subsection 10, paragraph "a".

33 EXPLANATION

34 The inclusion of this explanation does not constitute agreement with  
35 the explanation's substance by the members of the general assembly.

1 Current law permits a state agency, upon request and  
2 approval by the department of administrative services, to make  
3 a purchase of goods or services directly from a vendor, rather  
4 than purchasing through the department, if one of certain  
5 conditions is met. One of the conditions is if the purchase  
6 will not exceed \$10,000 and the purchase would contribute to  
7 the agency complying with targeted small business procurement  
8 goals.

9 This bill modifies that condition to permit a state agency  
10 to engage in direct purchasing for any purchase that will  
11 not exceed \$10,000. The bill strikes the requirement for  
12 a prior request and approval by the department for direct  
13 purchasing. The bill requires a state agency that makes such  
14 a purchase to promptly notify the department that it has done  
15 so. The bill provides that the notification must include  
16 documentation demonstrating that the purchase met the criteria  
17 for a direct purchase provided in the bill. The bill provides  
18 that prior notification of or approval by the department for  
19 such purchases shall not be required. The bill provides that  
20 competitive bidding shall not be required for such purchases.

21 The bill also provides that a state agency that meets the  
22 requirements for direct purchasing provided in the bill may  
23 engage in direct purchasing instead of purchasing pursuant to a  
24 master contract established by the department.